

Tehama County Economic Forecast

Forecast Summary

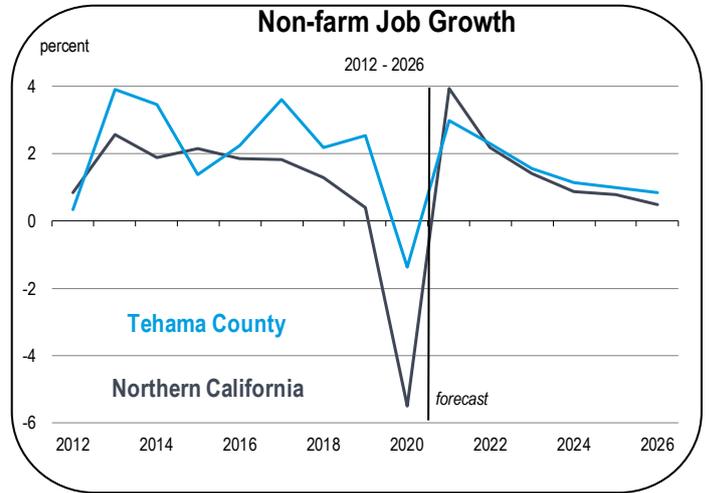
- Total employment in Tehama County declined by 210 jobs in 2020. In 2021, all of these jobs will be restored and an additional 330 jobs will be created, making Tehama County one of the first regions to recover from the Coronavirus Recession.
- Over the 2021-2026 forecast period, total employment in Tehama County is expected to increase by approximately 1,900 jobs.
- Government, healthcare, transportation and warehousing, and leisure services will be responsible for most job creation during the forecast period.
- The unemployment rate averaged 8.9 percent in 2020. It is forecast to average 6.9 percent in 2021 and 6.2 percent in 2022.
- The median home price increased by 8 percent in 2020. Home prices are expected to increase by 10 percent in 2021 and 5 percent in 2022.

Job Growth

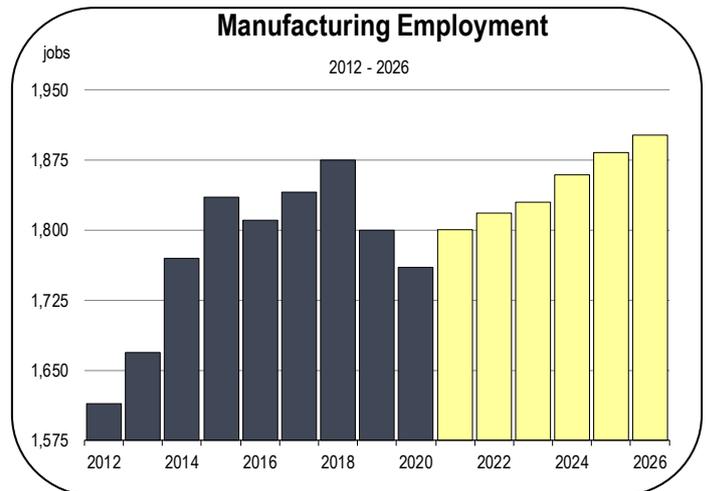
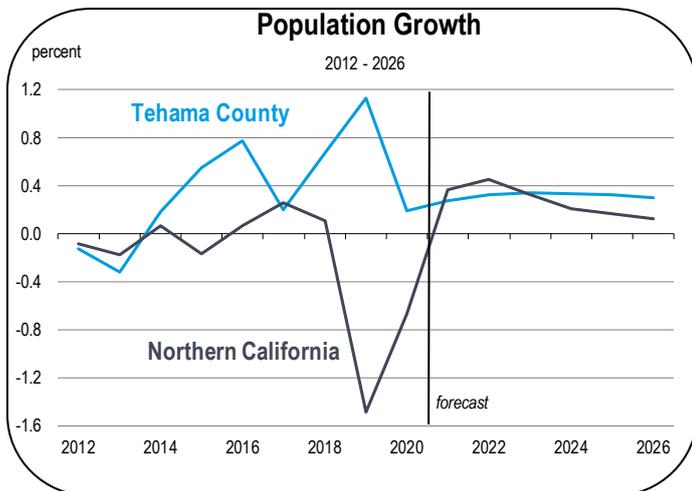
- Total employment in Tehama County will expand by 2.7 percent in 2021 on an annual average basis.
- Between 2022 and 2026, job growth will average 1.3 percent.

Manufacturing Employment

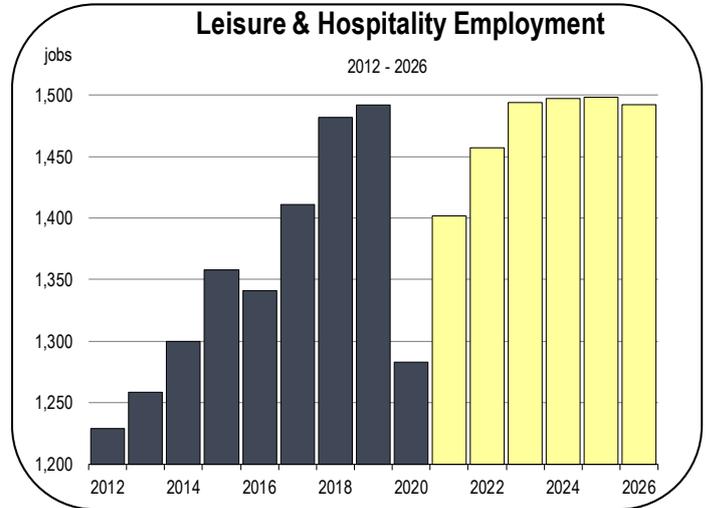
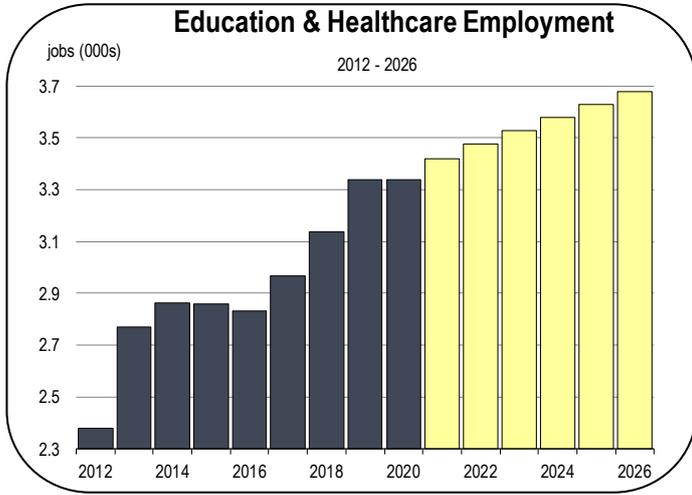
- Tehama County manufacturing is concentrated in lumber production, and the largest employer is Sierra Pacific Industries.



- Sierra Pacific Industries is headquartered in Shasta County but has more than 750 employees in Tehama County and manages more than 2 million acres of forest area in California and Washington.
- Sierra Pacific Industries has two mills in Tehama County, located in Corning and Red Bluff. These facilities process several varieties of trees and produce door frames, window frames, and other lumbar products.
- After a brief interruption of growth during 2019 and 2020, the manufacturing sector is expected to expand throughout the 2021-2026 forecast period, ultimately increasing by more than 100 jobs.



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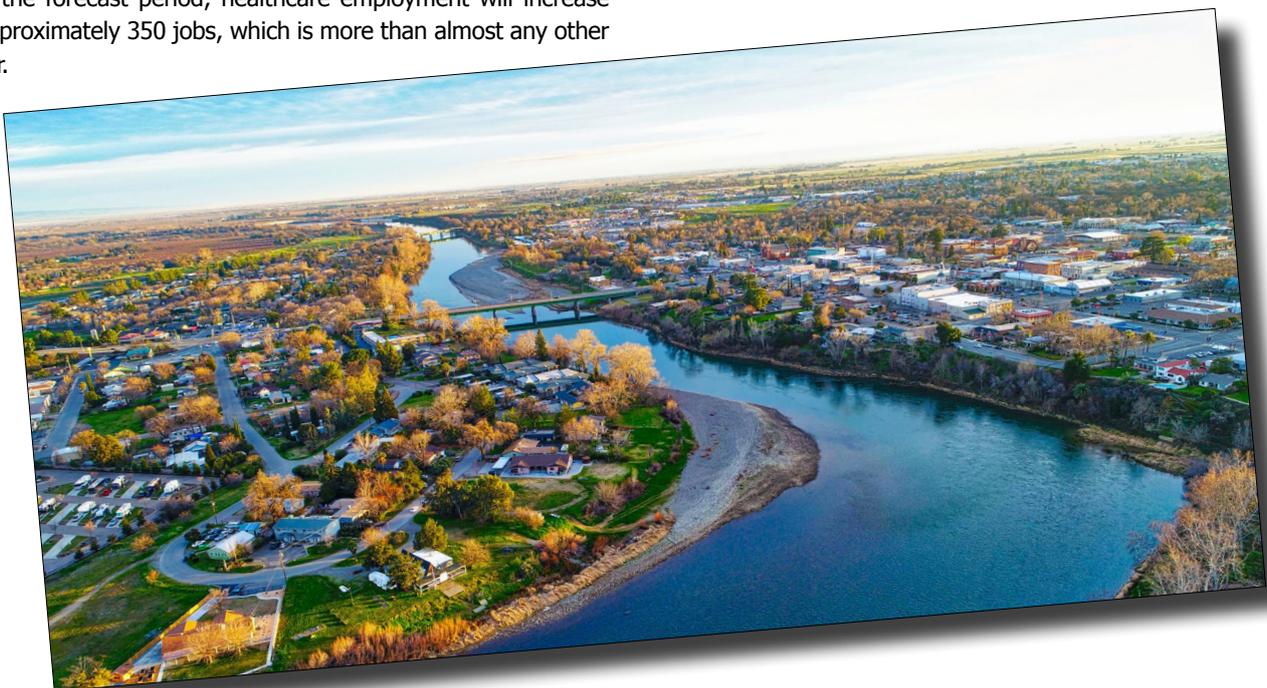


Private Education and Healthcare Employment

- Healthcare is among the largest employment sectors in Tehama County, behind only government.
- The largest healthcare organization is St. Elizabeth Community Hospital, which employs more than 400 workers and has approximately 50 patient beds.
- Local healthcare facilities have struggled to meet staffing needs during the COVID-19 pandemic, limiting job creation in the healthcare industry.
- Recruitment and retention issues are expected to be short lived. Over the forecast period, healthcare employment will increase by approximately 350 jobs, which is more than almost any other sector.

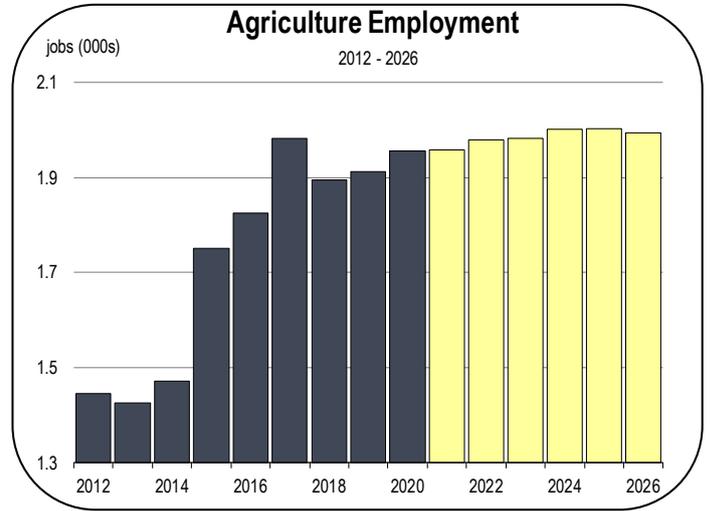
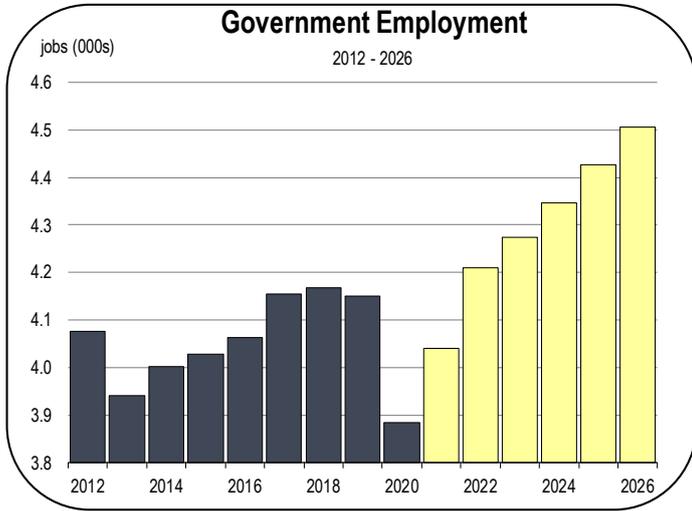
Leisure and Hospitality Employment

- One of the main visitor attractions in Tehama County is the Red Bluff Rodeo. It is the largest three-day rodeo in the US, with 600 contestants that vie for \$250,000 in winnings.
- The town of Corning is the capital of California’s olive oil industry, and local vendors have established a hospitality and food-services subsector around olive oil tasting.
- The leisure and hospitality industry is expected to return to pre-pandemic staffing levels by 2023 or 2024.



Sacramento River in Tehama County

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Government Employment

- Government agencies lost more than 200 jobs during 2020. Some workers will be re-hired in 2021 as schools re-open to in-person instruction. Others will be restored due to federal funding that will be allocated to local government agencies.
- The largest government agencies in Tehama County are the local school districts and the Tehama County Health Services Agency.
- Government agencies will add approximately 600 jobs by 2026, which is more than any other industry in the county.

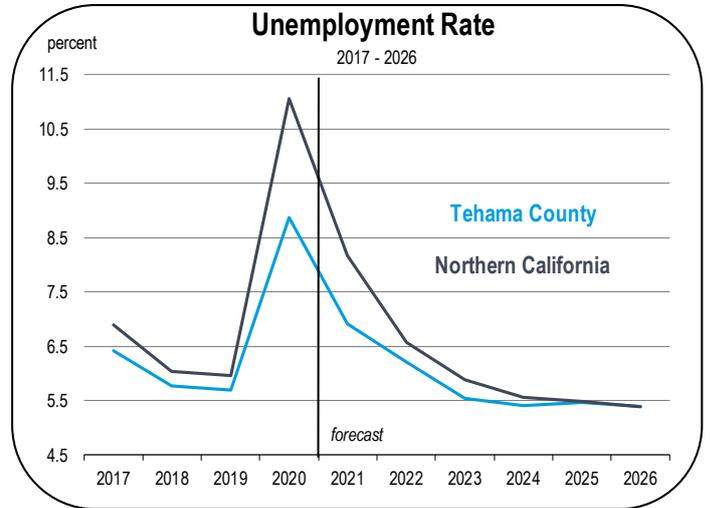
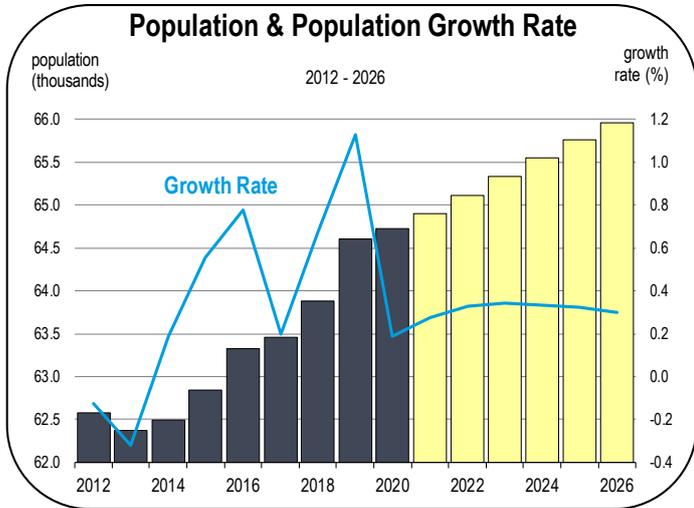
Agriculture Employment

- The leading crops in Tehama County are walnuts, almonds, olives, and prunes.
- The agriculture sector has thrived in recent years as global commodity prices have increased for almonds, walnuts, and prunes, leading to higher profits and spurring job creation.



Tehama County Walnut Trees

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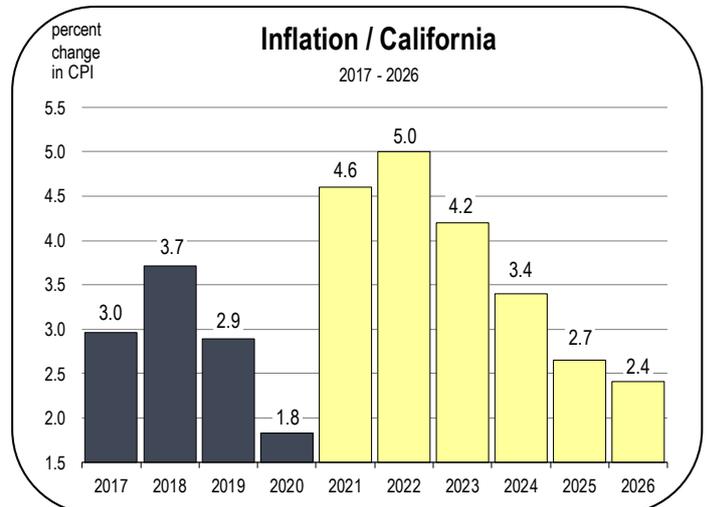
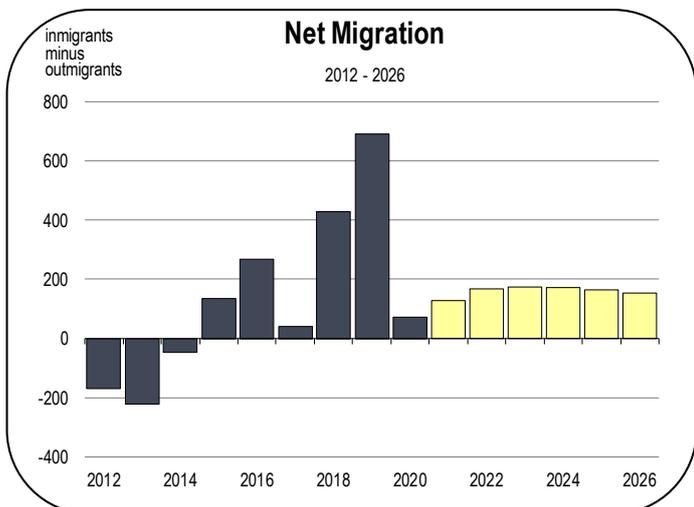
Population Growth

- The Tehama County population is expected to grow slowly between 2021 and 2026.
- The number of people moving into Tehama County is expected to exceed the number of residents moving out, which will contribute to population growth.
- Between 2021 and 2026, the population is expected to grow at an annual average rate of 0.3 percent.
- By 2026, the population is forecast to approach 66,000 residents.

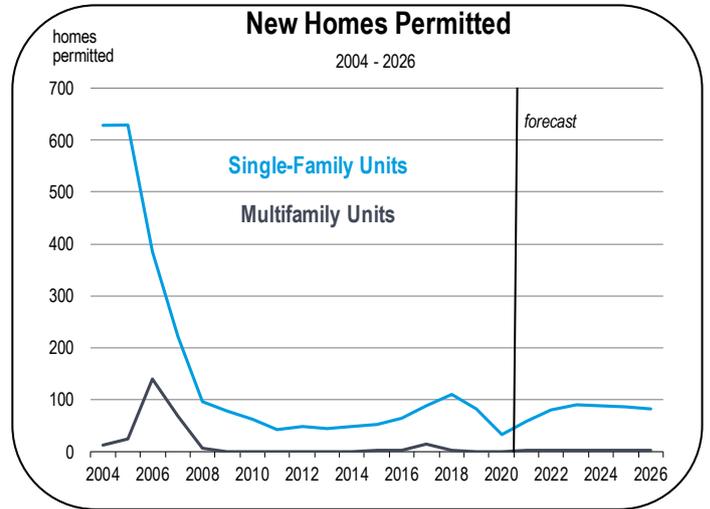
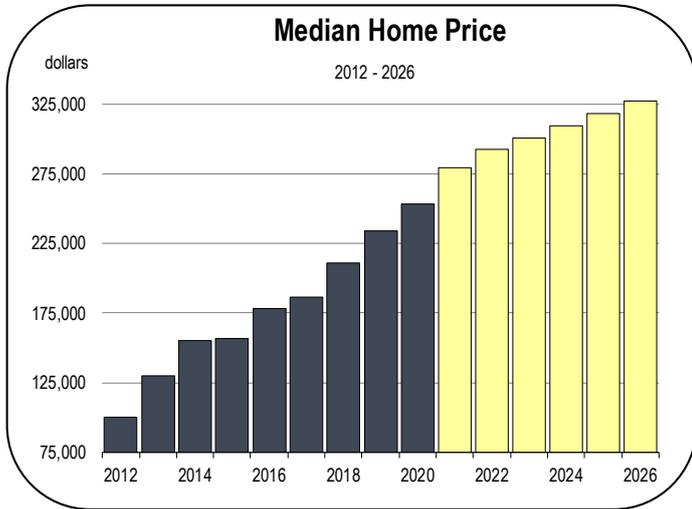
Unemployment and Inflation Rates

- The unemployment rate in Tehama County averaged 8.9 percent in 2020. It is expected to average 6.9 percent in 2021 and 6.2 percent in 2022.

- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged. It soared in 2021 and is expected to remain elevated for several years.
- Over the forecast period, there will be a number of factors that will contribute to high inflation. The most prominent will be:
 - Record levels of spending by consumers and government agencies
 - Fractures in the global supply chain that raise the cost of production for many businesses
 - Sharp increases in the cost of housing and energy
 - Labor market recruitment challenges that force companies to raise wages
- Combined, these factors will push inflation to its highest rates in 30 years.



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- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.

- The median price is expected to reach \$290,000 by 2022 and surpass \$325,000 by 2026.
- From 2015 to 2020, an average of 75 new homes were built in the county each year. More than 95 percent were single-family homes.
- Housing production is expected to average 75 to 95 units from 2021 to 2026, consisting almost entirely of single-family homes.

Home Prices and New Housing Production

- In 2020, the median home price in Tehama County was \$253,200.



Downtown Red Bluff

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Economic Indicators

2015-2020 History, 2021-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (millions)	Total Taxable Sales (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	62,840	24.2	135	54	74	\$2.4	\$597	\$780	\$359	\$43,515	8.0	\$364	1.4
2016	63,327	24.4	269	66	75	\$2.5	\$608	\$793	\$368	\$43,287	7.2	\$376	2.3
2017	63,452	24.5	42	102	74	\$2.6	\$647	\$816	\$373	\$44,448	6.4	\$415	3.0
2018	63,878	24.7	429	112	75	\$2.7	\$681	\$836	\$378	\$44,129	5.8	\$278	3.7
2019	64,598	24.7	690	83	78	\$2.9	\$736	\$954	\$368	\$45,088	5.7	\$306	2.9
2020	64,720	24.8	72	33	77	\$3.1	\$778	\$991	\$405	\$47,880	8.9	\$346	1.8
2021	64,898	24.8	128	60	78	\$3.2	\$807	\$1,024	\$404	\$48,101	6.9	\$347	4.6
2022	65,110	24.9	168	82	79	\$3.3	\$829	\$1,051	\$401	\$47,906	6.2	\$348	5.0
2023	65,331	25.0	174	93	80	\$3.4	\$850	\$1,079	\$409	\$48,630	5.5	\$349	4.2
2024	65,548	25.0	172	91	81	\$3.6	\$872	\$1,107	\$418	\$49,471	5.4	\$350	3.4
2025	65,758	25.1	164	89	81	\$3.8	\$888	\$1,127	\$428	\$50,291	5.5	\$351	2.7
2026	65,956	25.2	154	85	81	\$3.9	\$903	\$1,146	\$437	\$51,025	5.4	\$352	2.4
2027	66,138	25.3	135	81	82	\$4.1	\$918	\$1,164	\$443	\$51,642	5.5	\$353	2.2
2028	66,319	25.4	129	79	82	\$4.2	\$933	\$1,183	\$450	\$52,254	5.5	\$355	2.3
2029	66,504	25.4	129	77	82	\$4.3	\$956	\$1,213	\$454	\$52,722	5.6	\$356	2.2
2030	66,694	25.5	132	76	82	\$4.5	\$982	\$1,245	\$460	\$53,213	5.6	\$357	2.2
2031	66,878	25.6	124	73	83	\$4.6	\$1,003	\$1,271	\$465	\$53,662	5.6	\$358	2.3
2032	67,062	25.6	120	71	83	\$4.8	\$1,027	\$1,302	\$469	\$54,045	5.6	\$359	2.2
2033	67,244	25.7	112	68	83	\$4.9	\$1,048	\$1,329	\$472	\$54,509	5.8	\$361	2.0
2034	67,427	25.8	112	67	83	\$5.1	\$1,071	\$1,358	\$476	\$54,963	5.8	\$362	2.1
2035	67,604	25.8	111	65	84	\$5.3	\$1,098	\$1,392	\$481	\$55,390	5.9	\$363	2.1
2036	67,773	25.9	107	63	84	\$5.5	\$1,130	\$1,434	\$483	\$55,684	5.9	\$365	2.2
2037	67,937	26.0	109	62	84	\$5.6	\$1,162	\$1,474	\$486	\$55,962	5.8	\$366	2.2
2038	68,082	26.0	104	60	84	\$5.8	\$1,193	\$1,514	\$489	\$56,283	5.8	\$368	2.2
2039	68,217	26.1	104	58	84	\$6.0	\$1,227	\$1,557	\$492	\$56,569	5.8	\$369	2.2
2040	68,342	26.1	102	56	84	\$6.2	\$1,259	\$1,597	\$495	\$56,868	5.8	\$371	2.1
2041	68,461	26.2	98	54	85	\$6.4	\$1,287	\$1,633	\$499	\$57,273	5.8	\$372	2.2
2042	68,573	26.2	95	53	85	\$6.6	\$1,315	\$1,669	\$503	\$57,718	5.8	\$374	2.1
2043	68,680	26.3	94	51	85	\$6.8	\$1,344	\$1,705	\$508	\$58,195	5.8	\$375	2.0
2044	68,786	26.3	92	49	85	\$7.0	\$1,368	\$1,736	\$513	\$58,726	5.8	\$377	2.2
2045	68,888	26.4	88	47	85	\$7.2	\$1,397	\$1,773	\$518	\$59,213	5.8	\$378	2.2
2046	68,992	26.4	88	46	85	\$7.4	\$1,427	\$1,811	\$522	\$59,663	5.8	\$380	2.2
2047	69,109	26.5	88	45	85	\$7.6	\$1,458	\$1,851	\$527	\$60,024	5.7	\$382	2.2
2048	69,233	26.5	89	43	86	\$7.9	\$1,494	\$1,896	\$530	\$60,352	5.7	\$384	2.3
2049	69,361	26.5	89	42	86	\$8.1	\$1,526	\$1,938	\$535	\$60,771	5.7	\$385	2.0
2050	69,486	26.6	82	40	86	\$8.3	\$1,561	\$1,982	\$537	\$61,119	5.7	\$387	2.1

Employment Sectors

2015-2020 History, 2021-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	18,170	1,751	549	1,835	1,497	2,173	331	702	58	2,859	1,358	4,028
2016	18,620	1,825	563	1,811	1,570	2,348	355	810	78	2,831	1,341	4,063
2017	19,380	1,983	609	1,841	1,678	2,338	353	878	108	2,967	1,411	4,154
2018	19,670	1,895	688	1,875	1,693	2,346	321	818	97	3,138	1,482	4,168
2019	20,140	1,913	832	1,800	1,683	2,402	313	856	88	3,339	1,492	4,149
2020	19,940	1,957	941	1,760	1,740	2,427	334	828	93	3,339	1,283	3,884
2021	20,470	1,958	1,007	1,800	1,779	2,447	318	845	89	3,420	1,402	4,040
2022	20,920	1,979	1,026	1,818	1,832	2,460	328	868	91	3,477	1,457	4,210
2023	21,220	1,982	1,043	1,830	1,891	2,477	334	895	90	3,529	1,494	4,274
2024	21,450	2,001	1,042	1,859	1,929	2,478	335	913	89	3,579	1,497	4,346
2025	21,650	2,002	1,041	1,883	1,963	2,465	335	929	89	3,630	1,498	4,427
2026	21,800	1,994	1,029	1,901	1,995	2,452	335	944	89	3,679	1,492	4,506
2027	21,890	1,985	1,016	1,898	2,022	2,445	334	957	88	3,728	1,485	4,545
2028	22,010	1,976	1,005	1,895	2,050	2,438	334	971	88	3,776	1,476	4,616
2029	22,150	1,977	994	1,892	2,077	2,441	334	985	88	3,824	1,477	4,678
2030	22,310	1,979	983	1,899	2,104	2,446	333	998	88	3,871	1,480	4,747
2031	22,420	1,970	971	1,897	2,131	2,448	333	1,012	88	3,917	1,481	4,782
2032	22,520	1,972	960	1,895	2,148	2,450	334	1,021	88	3,962	1,483	4,825
2033	22,600	1,973	948	1,870	2,166	2,453	333	1,031	87	4,006	1,483	4,863
2034	22,700	1,974	938	1,873	2,180	2,455	333	1,038	87	4,049	1,486	4,906
2035	22,800	1,976	936	1,870	2,197	2,459	332	1,047	87	4,092	1,488	4,935
2036	22,890	1,977	935	1,858	2,213	2,464	332	1,056	87	4,134	1,489	4,959
2037	22,990	1,979	935	1,860	2,229	2,466	332	1,065	87	4,175	1,492	4,991
2038	23,070	1,980	934	1,854	2,242	2,469	332	1,072	87	4,215	1,494	5,009
2039	23,160	1,982	933	1,859	2,256	2,471	332	1,080	87	4,255	1,497	5,024
2040	23,240	1,984	932	1,856	2,268	2,473	332	1,086	87	4,293	1,499	5,048
2041	23,310	1,985	931	1,855	2,282	2,474	332	1,094	86	4,331	1,501	5,048
2042	23,370	1,987	930	1,851	2,293	2,476	333	1,101	86	4,368	1,503	5,056
2043	23,440	1,989	929	1,851	2,307	2,479	333	1,109	86	4,404	1,506	5,063
2044	23,500	1,991	928	1,850	2,318	2,480	333	1,115	86	4,439	1,508	5,068
2045	23,550	1,992	927	1,850	2,326	2,483	332	1,119	86	4,473	1,511	5,061
2046	23,610	1,994	927	1,851	2,335	2,485	332	1,125	86	4,507	1,514	5,063
2047	23,670	1,996	926	1,857	2,346	2,486	333	1,131	86	4,539	1,517	5,064
2048	23,740	1,998	925	1,862	2,354	2,489	332	1,135	86	4,571	1,520	5,074
2049	23,800	2,000	925	1,868	2,361	2,491	332	1,140	86	4,602	1,523	5,083
2050	23,830	2,002	923	1,845	2,366	2,494	332	1,142	86	4,633	1,523	5,091

Tehama County Economic Forecast

Socioeconomic Indicators

